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CEO
Pat Jacobsen

To: Board of Directors

From: Bob Paddon, Vice President Corporate and Public Affairs

Date: February 4, 2005

Subject: **Canada, British Columbia and Greater Vancouver Transportation Accord**

Recommendation:

That the GVTA Board:

A. Adopt the Canada, British Columbia and Greater Vancouver Transportation Accord as the policy framework for the allocation of gasoline tax revenue that will be available to the Greater Vancouver region through the Federal government's *New Deal for Cities and Communities*;

B. Request the Government of British Columbia use the Canada, British Columbia and Greater Vancouver Transportation Accord as part of its negotiations with the Federal government as per the *New Deal for Cities and Communities*;

C. Authorize the CEO to negotiate with the Provincial and Federal governments procedures for the implementation of the Canada, British Columbia and Greater Vancouver Transportation Accord;

D. Communicate to the Union of BC Municipalities (UBCM) the Greater Vancouver proposal for allocation of the federal gasoline tax;

E. Communicate to Premier Gordon Campbell, Minister of Community, Aboriginal and Women's Services Murray Coell and Minister of Transportation Kevin Falcon the Greater Vancouver proposal for allocation of federal gasoline tax revenues; and

F. Communicate to Prime Minister Paul Martin; Minister of State Infrastructure and Communities John Godfrey and Chair, External Advisory Committee on Cities and Communities; Minister of Industry David Emerson; and, Senator Jack Austin the Greater Vancouver proposal for allocation of federal gasoline tax revenues.

PURPOSE

To provide the Greater Vancouver Transportation Authority with a policy framework that will enable it to negotiate with the Provincial and Federal governments in order to implement the GVTA's December 3, 2003 resolution "that the Board request the federal government provide an annual stream of sustainable funding to the GVTA for transportation purposes, equivalent to 5 cents per litre of federal fuel taxes paid annually on fuel purchased within the region and seek support of the provincial government for such federal funding" and the Greater Vancouver Regional District's February 27, 2004 resolution to "endorse the provision of an annual stream of sustainable funding from the federal government to the GVTA for transportation purposes, equivalent to 5 cents per litre of federal taxes paid on fuel purchased annually in the region."

To establish a negotiating mandate to develop a procedure to enable the federal gasoline tax revenues that will be provided to the British Columbia and allocated for the Greater Vancouver Regional District member municipalities through the *New Deal for Cities and Communities* to be applied to the programs and projects identified in the GVTA's *10-Year Transportation Outlook 2003-2013*.

CONTEXT

On February 1, 2005 Infrastructure and Communities Minister John Godfrey outlined to his provincial and territorial counterparts the details of how he will negotiate the *New Deal for Cities and Communities* with each jurisdiction. This includes each province and territory's share of $5 billion in federal gas tax funding over five years, which will be made available to municipalities starting in 2005. British Columbia will be allocated $635.6 million over the next five years with annual funding reaching $254.2 million in year five of the program. Funds from the gas tax will be directed at environmentally sustainable municipal infrastructure, such as public transit, water and wastewater systems, community energy systems, solid waste management, rehabilitation of roads and bridges, and capacity building. The gas tax funding is in addition to the Goods and Services Tax (GST) rebate announced in the 2004 Budget, which provided municipalities with $7 billion over 10 years. The Government of Canada is also delivering on the $1 – billion Municipal-Rural Infrastructure Fund for smaller communities and the $4-billion Canada Strategic Infrastructure Fund.

Murray Coell, Minister of Community, Aboriginal and Women's Services commented after the federal announcement that the B.C. government is ready to start negotiations with the federal government.

During the past year, the GVTA has been developing a proposal for sustainable federal funding of approximately $100 million per year beginning in 2008 for urban transportation as a key revenue stream in the region's *10-Year Transportation Outlook 2003-2013*. The **Canada, British Columbia and Greater Vancouver Transportation Accord** proposes a tri-partite agreement and sets out how the federal gas taxes would be managed in Greater Vancouver for the purpose of improving public transportation. The **Transportation Accord** will provide collective oversight and management of senior government transportation funding including federal and provincial fuel taxes as well as regional taxes to fund transportation. Based on a review of known federal, provincial and regional plans, programs and interests, four potential dimensions of the **Transportation Accord** have been identified:

1. One Regional Transportation Plan: Develop an integrated, long-range, multi-modal plan that includes federal and provincial plans for transit, roads, highways, marine services and railways. The success of the plan would be measured by outcomes that meet each party's interests.

2. Sustainable Capital Funding: Funding is required to sustain new capital needs and ensure renewal and rehabilitation of existing assets to ensure the transportation system remains safe, secure and in good repair. Through the **Transportation Accord**, partners will deliver tri-level sustainable capital funding.

3. Integrated Approach to Transportation: Partners will look at their entire programs across all departments through an "urban lens" to ensure initiatives are effective and efficient. The **Transportation Accord** will leverage existing financial contributions by all three partners.

4. Education and Communications: The **Transportation Accord** will facilitate education and communication of urban transportation issues and promote and market alternatives.

DISCUSSION

The need for sustainable funding for transportation has been consistently identified as a critical element in order to implement the region's vision for its future. The *10-Year Transportation Outlook* approved by the GVTA in December 2003 and by the GVRD in February 2004 recognized this and assumed the federal funding as a key revenue stream.

Since its inception in 1999, the Greater Vancouver Transportation Authority has pursued an aggressive plan to expand public transit, in part through a major commitment to clean vehicle technologies including one of the world's largest purchases of electric trolleys as well as a major expansion of its rapid transit network. TransLink's plans to improve goods movement through road infrastructure improvements is moving forward in the face of growing traffic congestion that currently costs industry about $1.3 billion per year and threatens our competitive position versus ports in the Western United States.

The Greater Vancouver Transportation Authority has championed a new funding partnership with the federal government through broad based consultation on the local, provincial and national levels. Its goal is to facilitate sustainable federal funding without compromising provincial jurisdiction and priority setting. In has strongly endorsed the Federal government's *New Deal for Cities and Communities.* There is high public awareness of the fact that TransLink, the Province and the Federal government have collaborated on some of the biggest transportation funding partnerships in the region's history, chiefly the border infrastructure program and the Richmond, Airport, Vancouver rapid transit project.

There is strong political, public and stakeholder support for the dedication of federal gas tax revenue for improvements to Greater Vancouver's transportation system:

- The Board of the Greater Vancouver Regional District, composed of mayors and councillors representing 21 municipalities in the lower mainland of British Columbia with a combined population of almost 2.2 million people, has twice gone on record and adopted specific resolutions endorsing the region's transportation authority to receive the whole federal gas tax transfer for the region.

- Prime Minister Paul Martin acknowledged the position of the GVTA and GVRD on May 14, 2004 on gasoline tax and directed the region to work with the Hon. John Godfrey and Hon. Michael Harcourt and concluded "we look forward to working with you on sustainable transportation issues."

- Premier Gordon Campbell in correspondence to the GVTA on June 15, 2004 endorsed the core concepts that are now presented in the **Transportation Accord**. "Our government has long maintained that the federal government out to reinvest more of the fuel taxes it collects into transportation. Here in British Columbia, we are doing our part: government already spends as much or more on transportation than we collect in provincial fuel taxes. Moreover, we have been very clear with the federal government that transportation in the Greater Vancouver area is a high priority for us."

- Public opinion surveys conducted over the past five years have consistently ranked transportation among the top, if not the top, issue in the region and the

public has also wanted to see federal gasoline taxes allocated to transportation needs in the region. Three waves of public opinion research conducted by The Ispsos-Reid Group in May, October and November 2003 showed that more than 90% of residents felt that the projects contained in TransLink's 10-Year Transportation Outlook were important to the region. That research also showed that almost three quarters of residents want federal gasoline taxes to provide part of the funding for the Outlook.

- Stakeholder organizations from business, labour and environment have endorsed the *10-Year Transportation Outlook* and support the allocation of federal gasoline taxes as a means of funding the long-range plan. Organizations that stated general support for the plan include Better Environmentally Sound Transportation, Vancouver Board of Trade, BC Federation of Labour Transportation committee, Vancouver Area Cycling Coalition, and the University of British Columbia.

Why Now

The B.C. government is beginning negotiations with the Federal government that will determine how the gasoline tax is allocated in the province. The Federal government has indicated that it will announce in the 2005 budget, to be presented on February 23, 2005, how the first contributions from the *New Deal for Cities and Communities* will be allocated to the provinces and territories and it can be anticipated that implementation will follow shortly after the budget is announced. The B.C. government has announced that it is ready to begin negotiations and wishes to conclude an agreement with the Federal government as soon as possible. Therefore, the **Canada, British Columbia and Greater Vancouver Transportation Accord,** if it is to form part of the provincial negotiating position, needs to be communicated to the B.C. government as soon as possible and the procedures for implementation of the **Transportation Accord** within the context of a province-wide plan for the federal gas tax revenue will need to be completed in order for B.C. to conclude its negotiations with the Government of Canada.

CONCLUSION

The Greater Vancouver region is uniquely positioned to proceed with a funding partnership with the Province and Federal governments. The GVRD's Livable Region Strategic Plan has established goals for land use and air quality that harmonize with the Federal government's vision for sustainable cities. TransLink is responsible for planning and financing an integrated road and transit system designed to meet the region's goals. The GVTA is being used as a model for similar agencies in Canada and around the world. This model will produce the maximum benefits

from sustainable federal funding, providing the Federal government with a workable and effective means to achieve its goals while demonstrating its commitment to share gas tax revenue with municipalities.

Greater Vancouver Regional District
4330 Kingsway, Burnaby, British Columbia, Canada V5H 4G8

Office of the Chairperson
Telephone 604-432-6215
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April 5, 2004

File No: CP-15-03-001

The Rt. Hon. Paul Martin, PC, MP
Prime Minister of Canada
House of Commons
Ottawa, Ontario K1A 0A6

Dear Prime Minister Martin:

Re: Sustainable Transportation Funding

On February 27, 2004, the Greater Vancouver Regional District Board of Directors passed a motion to "endorse the provision of an annual stream of sustainable funding from the federal government to the GVTA for transportation purposes, equivalent to 5 cents per litre of federal taxes paid on fuel purchased annually within the region."

This resolution was passed in context with approval of a bold new transportation plan for Greater Vancouver's over two million residents. This plan represents a major commitment to investing in the region's transportation system, and will have a long-lasting impact on how Greater Vancouver grows and develops, the quality of our communities, and on our economic prosperity. Your consistent support for a New Deal for Canada's cities, together with your commitment to provide cities with a share of federal gas tax revenues, which was reconfirmed in the 2004 federal budget, are critical to the success of this plan.

During its consideration of these recommendations, the Board received delegations from a group of industrial and commercial interests who have formed a coalition called ThinkLink. This group was opposed to the new parking taxes which would be imposed in the event that funding from the federal fuel tax does not materialize. They stated their strong support for fuel tax funding over parking tax funding. The Board has asked me to bring their opinion on this to your attention.

Yours truly,

J. Marvin Hunt
Chair, Board of Directors

JMH/GY

c.c.: The Honourable Gordon Campbell, Premier of British Columbia
The Honourable Stephen Owen, Minister of Public Works and Government Services
Michael Harcourt, Chair, External Advisory Committee on Cities and Communities

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PRIME MINISTER · PREMIER MINISTRE

May 14, 2004

Dear Mr. Hunt:

Thank you for your letter dated April 5, 2004, in which you bring forward the opinion of the Board of Directors of the Greater Vancouver Regional District. I appreciate your commitment to improving quality of life in Vancouver and its surrounding area and your innovative suggestions regarding sustainable transportation funding.

Sustainable infrastructure, such as public transit and roads, that encourages the coordinated movement of people and goods in the most environmentally responsible manner is essential to the long-term competitiveness and character of our communities. It is particularly important to our goal to reduce greenhouse gases.

In the 2003 and 2004 Budgets, the Government of Canada committed funds that will assist municipalities in maintaining and renewing public infrastructure in areas such as water, wastewater, transit, culture and recreation. These funds can contribute to sustainable transportation in and around Vancouver. The GST rebate will also provide money to municipalities that could be used to improve sustainable transportation.

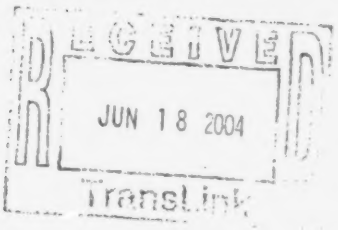
Mr. J. Marvin Hunt
Chair, Board of Directors
Greater Vancouver Regional District
4330 Kingsway
Burnaby, British Columbia
V5H 4G8

The appointments that I have made, notably the Honourable John Godfrey as my Parliamentary Secretary with special emphasis on Cities and the Honourable Mike Harcourt as the Chair of the External Advisory Committee on Cities and Communities are an indication of my level of interest in urban issues and the strong leadership that will be required to address them. We look forward to working with you to address sustainable transportation issues.

Thank you for taking the time to express the views of the Board and share the information with me.

Yours sincerely,

cc - Board



BRITISH COLUMBIA

June 15, 2004

D.W. (Doug) McCallum
Chair of TransLink
#1600, 4720 Kingsway
Burnaby, BC V5H 4N2

Dear Mr. McCallum:

Thank you for your letter regarding the development of a transportation model for the Greater Vancouver area and the transfer of federal gas tax revenues.

As you know, our government has long maintained that the federal government ought to reinvest more of the fuel taxes it collects into transportation. Here, in British Columbia, we are doing our part: government already spends as much or more on transportation than we collect in provincial fuel taxes. Moreover, we have been very clear with the federal government that transportation in the Greater Vancouver area is a high priority for us. We recognize that traffic congestion drains up to $1.5 billion from our economy each year, and this problem must be fixed.

A continued positive relationship between the Province and TransLink will be vital to meeting our common goal of improving transportation across Greater Vancouver, and I look forward to developing that relationship further in the future. The Province will be pleased to comment on the proposed transfer of federal fuel taxes to municipalities or other responsible authorities once details of any such plan are presented more formally.

I appreciate your taking the time to write on this matter.

Sincerely,

Gordon Campbell
Premier

pc: Honourable Kevin Falcon

Province of British Columbia
Office of the Premier
www.gov.bc.ca

VANCOUVER 2010

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Building A Sustainable Region
Greater Vancouver Regional District 4330 Kingsway, Burnaby, BC, Canada V5H 4G8
Greater Vancouver Regional District • Greater Vancouver Water District
Greater Vancouver Sewerage and Drainage District • Greater Vancouver Housing Corporation

Office of the Chair
Telephone: 604 432 6204 Fax: 604 551 6614

File No CR-08

February 1, 2005

Honorable Minister John Godfrey
Minister of State (Infrastructure & Communities)
6th floor, Suite 605
90 Sparks Street
Ottawa, Ontario
K1P 5B4

Dear Honorable John Godfrey:

Re: Proposed Federal Fuel Tax Transfer

The proposed transfer of fuel tax monies may be the most significant assistance ever provided by the Government of Canada in support of the needs of the municipal sector Consequently, the discussion has been vigorous on the details of how it might be allocated to entities within the sector. The Board of the Greater Vancouver Regional District (GVRD), composed of mayors and councillors representing all the municipalities of the lower mainland of British Columbia, has twice gone on record and adopted specific resolutions endorsing the regions transportation authority the' Greater Vancouver Transportation Authority' (GVTA or TransLink) to receive the whole federal fuel tax transfer for the region.

The structure of local government in the lower mainland is unique in Canada. In four areas of service – supplying drinking water, treating wastewater, disposing of solid waste, and transit and road services – the provision by the municipalities is indirect, through regional institutions such as GVRD and GVTA. While the facilities in the utility functions have significant capital requirements, future needs are dwarfed by those for improvements in transportation infrastructure. Indeed, the GVTA was originally formed because it was widely acknowledged that there had been a significant underinvestment in infrastructure needed to meet the growing transportation needs of the lower mainland.

.....2/

In 2004, GVTA developed a Strategic Transportation Plan (STP) and Ten-Year Outlook, which contained projects to address these deficiencies. The plans of the GVTA must by statute be consistent with the Livable Region Strategic Plan, and the transportation strategy has been considered in that light and ratified by the GVRD. The region's share of costs in the capital program, contained in the plans, are estimated to be $4 billion in the period 2004-13. These projects will enhance environmental quality through reduction of air pollution, contribute to significant reductions in green house gas emissions and further enhance the economy by improving the flow of goods in and throughout the region. Sustainable federal funding is key to the long term success of this plan.

The Board of the GVRD has recommended that all regional funding from the federal fuel tax transfer should go to GVTA because that is where both the opportunity and the need are greatest and your assistance in fulfilling this recommendation in the short term would be welcomed.

Yours truly,

J. Marvin Hunt
Chair, Board of Directors

CC: MP's (Greater Vancouver Regional District Region)
MLA's (Greater Vancouver Regional District Region)

Document No. 004223640

Greater Vancouver Regional District
4330 Kingsway, Burnaby, BC, Canada V5H 4G8

Greater Vancouver Regional District • Greater Vancouver Water District
Greater Vancouver Sewerage and Drainage District • Greater Vancouver Housing Corporation

Office of the Chair
Telephone: 604 432-6204 Fax: 604 551-6614

File No. CR-08

February 1, 2005

The Honorable Michael Harcourt
Chair, External Advisory Committee on Cities and Communities
Privy Council Office – Pacific
Suite 1215 – 1095 W. Pender Street
Vancouver, BC
V6E 2M6

Dear Honorable Harcourt:

Re: Federal Fuel Tax Transfer to the Municipal Sector

I would like to express our thanks for the work the Committee has done to date and express our continued support in your efforts to address the needs of municipalities through the implementation of the 'New Deal'. The role of municipal governments is key to a sustainable nation and the work done by the Committee certainly recognizes this.

I am concerned, however, with regard to some ideas suggested around the proposed allocation of the federal fuel tax by both the Province of BC and Federal Government. Within the province as a whole consideration must be given to municipal interests at all levels, but I must note that the Greater Vancouver Regional District is unique in both its structure and needs. As you are aware, not once, but twice, the Board of the GVRD has voted that the entire federal fuel tax transfer proposed for the region should go to our transportation authority the Greater Vancouver Transportation Authority (GVTA or TransLink). Certainly transportation in the region is where the greatest need lies and the greatest impact can be achieved.

While the growth and standard requirements in areas of sewerage or water treatment continue to be a major cost to the region, it is in the area of transportation, both transit and roads, where we fall short. TransLink was formed in acknowledgement that there had been an underinvestment in the needs of the lower mainland. Its current Strategic Transportation Plan and Ten-Year Outlook, as ratified by the GVRD, contains $4 billion of regionally funded capital projects ranging from rapid transit lines to buses to bridges. Implementation of the plan will help address both air quality issues from vehicle emissions and problems of economic sustainability emerging from the growing gridlock which hurts goods movement. Sustainable funding through the fuel tax transfer is key to the long term success of this plan.

....2/

Over the next several weeks, as the funding of the fuel tax transitions to the implementation stage, we would welcome the support of both you and Minister Godfrey in ensuring that for the region, 100% of the proposed fuel tax funding is allocated to our transportation authority.

Yours truly,

J. Marvin Hunt
Chair, Board of Directors

Cc: MP's GVRD Region
MLA's GVRD Region

Document No. 004223658

The Gateway Council

800 Robson Street, Vancouver, B.C. V6Z 3B7
Telephone 604/ 682-5330 Facsimile 604/ 822-8423
e-mail: gvgc@smart.com

February 3, 2005

Mayor Doug McCallum, Chair
Greater Vancouver Transportation Authority
1600 – 4720 Kingsway
Burnaby BC
V5H 4N2

Dear Mayor McCallum;

The Greater Vancouver Gateway Council actively participated in the development of the GVTA's Three-year Plan and Ten-year Outlook that was subsequently approved by both the Board of the GVTA and the Board of the GVRD.

The funding that was required to meet the capital requirements in that Plan and Outlook was dependent upon receipt of the Federal Governments five cent per litre fuel tax rebate. We understand that the GVTA and GVRD Boards passed resolutions that would direct any Federal gas tax revenue rebate to the capital projects contained in the ten year Transportation Outlook. We commend both Boards for that action.

Our Council is supportive of the Transportation Accord that has been developed calling for the allocation of gas tax rebates being directed to transportation in this region and believe that this direction is consistent with the above mentioned resolutions.

We look forward to your support of this accord that will allow for implementation of the ten year Transportation Outlook in a timely manner.

Thank for your attention to this important matter and we would be happy to meet with you to discuss this should that be necessary.

Sincerely,

R.V. Wilds, Managing Director

Greater Vancouver Regional District
4330 Kingsway, Burnaby, BC, Canada V5H 4G8
Greater Vancouver Regional District • Greater Vancouver Water District
Greater Vancouver Sewerage and Drainage District • Greater Vancouver Housing Corporation

Office of the Chair
Telephone: 604 432-6215 Fax: 604 451-6614

File No. CR-08-00

February 4, 2005

The Honourable Gordon Campbell
Office of the Premier
Province of British Columbia
P.O. Box 9041, Stn. Prov. Govt.
Victoria, BC V8W 931

Dear Premier Campbell:

Re: Federal Fuel Tax Transfer to the Municipal Sector

I was very pleased to read the February 1, 2005 announcement by the federal government further detailing their commitment to share with municipal government a portion of the federal fuel tax. As Minister Coell recently noted, the 'New Deal' will mean up to $254 million annually for BC within five years.

As you are aware, within the GVRD, our Board has agreed that our needs are greatest in the area of transportation. The current Strategic Transportation Plan and Ten-Year Outlook from GVTA, as ratified by the GVRD, contains $4 billion of regionally funded capital projects ranging from rapid transit lines to buses and bridges. The plan addresses both regional and provincial concerns with regard to air quality and problems emerging from the growing traffic gridlock. Sustainable funding through the fuel tax transfer is key to the long term success of this plan.

As the Province begins substantive negotiations with the federal government and the funding of the fuel tax transitions to the implementation stage, I would remind you that twice last year the GVRD Board voted for 100% of the proposed fuel tax funding to be allocated to the GVTA.

Thank you in advance for your assistance.

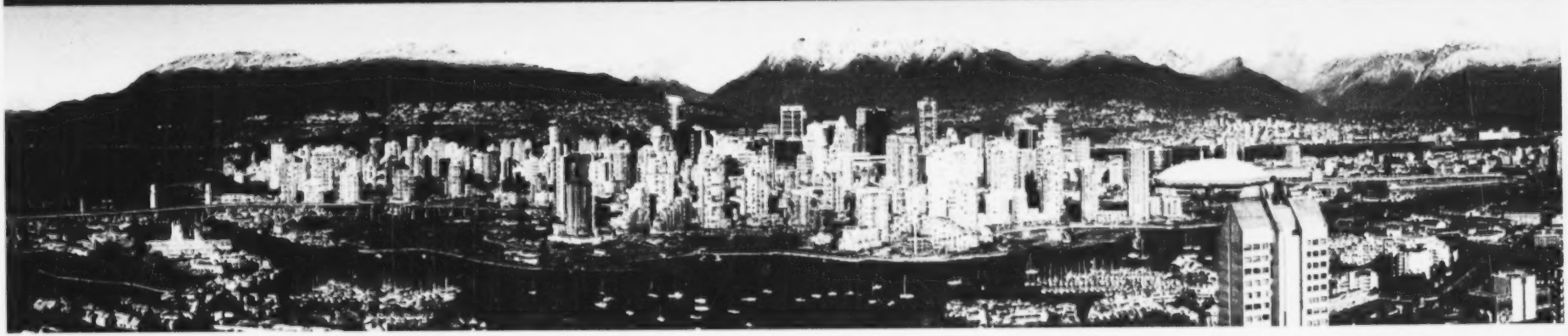
Yours truly,

J. Marvin Hunt
Chair, Board of Directors

JMH/GR/eb
cc Honourable Murray Coell, Minister of Community, Aboriginal and Women's Services
Document #004225458

CANADA, BRITISH COLUMBIA, GREATER VANCOUVER

TRANSPORTATION ACCORD



TRANSLINK
www.translink.bc.ca
604-453-4500

TRANSLINK
Greater Vancouver Transportation Authority

February - 2005

71% of GVRD residents believe that gasoline taxes should be used for funding major transportation projects

IPSOS-REID POLL 2003

Model for applying federal gas tax for transportation

The federal government has introduced a new program to provide financial support to Canada's municipalities called The New Deal for Cities and Communities. The program began in 2004 with a decision to provide municipalities with the full rebate on GST. The program will also include a transfer of a portion of the federal gas tax, which will generate $2 billion per year when fully implemented. The federal government, through Infrastructure Canada, is in the process of developing the program and will be negotiating final agreements with the provinces and territories in preparation for implementation later in 2005.

The Transportation Accord described in this document is a proposal by the Greater Vancouver Transportation Authority (GVTA), or TransLink, as it is also known, that sets out how the federal gas taxes would be managed in Greater Vancouver for the purpose of improving public transportation.

Greater Vancouver Transportation Authority

The Province of British Columbia (BC) created the GVTA in 1999 to give a greater degree of local control over the provision, operation and improvement of the region's transportation system. The GVTA has responsibility for the transit system, the regional road network and vehicle emission testing.

Investment in urban transportation

TransLink and the 21 municipalities that comprise the Greater Vancouver Regional District (GVRD) have consistently advocated for a strong federal investment in urban transportation as a means of fulfilling its priorities for healthy Canadians, environmental protection and economic competitiveness. Partnerships with urban regions are a highly effective way of progressing towards federal objectives while respecting existing jurisdictions. The Canada, British Columbia, Greater Vancouver Transportation Accord is such a partnership.

Region supports federal gas tax to fund transportation

Greater Vancouver Regional District member municipalities have agreed that any gas taxes received from the federal government would be applied to public transportation in the region. This year the GVTA and the GVRD adopted specific resolutions to allocate the gas tax revenue to the region's Strategic Transportation Plan. On February 27, 2004 the GVRD Board of Directors passed a motion to "endorse the provision of an annual stream of sustainable funding from the federal government to the GVTA for transportation purposes, equivalent to five cents per litre of federal taxes paid on fuel purchased annually within the region." GVRD Chair Marvin Hunt wrote to the Prime Minister on April 5, 2004 to notify him of the adoption of a bold new transportation plan, a plan that requires federal gas taxes if it is to succeed. The GVRD reconfirmed its position on this commitment in October 2004.

The Canada, British Columbia, Greater Vancouver Transportation Accord is the mechanism identified by TransLink to implement the region's resolution to dedicate the federal gas tax revenue to improving public transportation. The Accord will build upon an existing plan that has already achieved considerable success.

Canada's Pacific gateway

Greater Vancouver, the nation's third largest urban centre, is Canada's trade and tourism gateway to the Asia Pacific economies. It is renowned as one of Canada's most liveable places and is home to over half of British Columbia's workforce. According to GVRD projections, by 2031 the population will increase to approximately 3 million, with employment reaching 1.5 million.

The cost of congestion to the region's economy is estimated at $1.5 billion annually, $500 million for trucking alone.

TRANSPORT CANADA

The emerging global economy - Asia Pacific trade with North America

The same forces that are driving rapid expansion of international trade are changing the shape of the region's economy. Greater Vancouver feels these forces more acutely than other Canadian cities since it is both a major urban economy and one of the largest transportation complexes for the movements of international goods and passengers on the West Coast of North America. 100 million tonnes of cargo, 15 million air passengers and 1 million cruise ship passengers moved through the region in 2001. Steady growth of the Asia Pacific economies is increasing demands for Western Canadian resource exports, two way container trade and air travel through the region.

Population growth and expansion of international trade and travel are increasing pressure on the region's transportation network. The cost of congestion to the region's economy, according to Transport Canada, is estimated at $1.5 billion annually, $500 million for trucking alone. Congestion and gridlock will stifle growth, harm Canada's trade competitiveness and contribute to environmental degradation of one of the world's most livable regions if nothing is done soon. No single level of government or public agency can solve this problem on its own.

GREATER VANCOUVER, CANADA'S TRADE AND TOURISM GATEWAY TO ASIA PACIFIC ECONOMIES

AIR PASSENGER GROWTH, 2003 TO 2027

2003	15 million
2027	33 million

GROWTH IN CARGO SHIPMENTS, 2003 TO 2021

Air	85%
Truck	56%
Rail	50%
39%	Maritime

PORT EXPANSION, 2004 TO 2010

$1.4 billion in capital

22,000 person years of employment

$1 billion in wages and benefits

Transit ridership rose by 11.7% over 2002 levels, the largest single year increase since 1986

From 2002 to 2003, the Vancity U-Pass program has increased ridership to the two major universities in the region by nearly 50 per cent .

Growing transit ridership contributes to overall transportation efficiency

Between 2002 and 2003 transit ridership jumped 11.7 per cent in Greater Vancouver. Rides per capita increased 10.5 per cent in the same time frame.

The Canadian Urban Transit Association recognized with a national award of recognition in 2003 TransLink's successful introduction of the Vancity U-Pass for students at University of British Columbia and Simon Fraser University. The Vancity U-Pass program has increased ridership to the two major universities in the region by nearly 50 per cent, with 60,000 post-secondary students involved in the program.

TRANSLINK'S CAPITAL PROGRAM 2004 - 2013

Replace Transit Vehicles	$890 M
Expand Transit Vehicles	$385 M
Maintain and Expand Transit Infrastructure	$455 M
Bicycle Program/ITS (Intelligent Trans. Systems)	$74 M
Rapid Transit	$810 M
Roads Major	$440 M
Roads and Bridges Minor	$285 M
Subtotal	**$3.339 M**
Golden Ears Bridge	$600 M
Total ($M)	**$3,939 M**

ECONOMIC IMPACT OF TRANSLINK'S 10-YEAR CAPITAL PROGRAM

$3.9 billion in capital

31,000 person years of employment

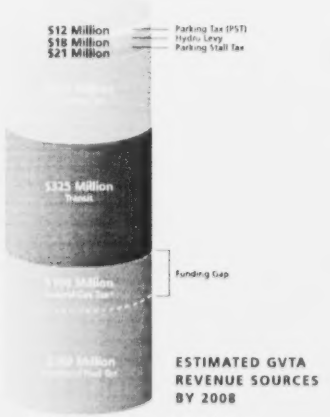
$4.9 billion in wages and benefits

TransLink's 10-Year Outlook document can be viewed at www.translink.bc.ca

Investing $4 billion in regional transportation expansion

The Transportation Accord provides the catalyst for integration of transportation by defining and consolidating federal, provincial and regional roles in Greater Vancouver. The region's transportation plan for the next decade, which includes capital expansion of $4 billion, relies on the dedication of sustainable federal funding equivalent to five cents per litre of the federal gas tax collected in the GVRD. The plan anticipates $100 million annually by 2008 being available to the GVTA from federal gas tax revenue, if the capital investment plan is to be achieved.

Transportation conditions in Greater Vancouver are important to the region, British Columbia and Canada. Ultimately if adequate investments are not made and goods, services and people cannot move as efficiently as in other competitor urban regions, the regional, provincial and national economies will all suffer.



ESTIMATED GVTA REVENUE SOURCES BY 2008

Over half of drivers, 57% are strongly concerned about global warming and air pollution

BCAA/GVTA SURVEY November 2004

Scope of the Transportation Accord

The proposed Transportation Accord will be a tri-partite arrangement with the governments of Canada, British Columbia and the Greater Vancouver Transportation Authority. The Transportation Accord will provide collective oversight and management of senior government transportation funding including federal and provincial fuel taxes as well as regional taxes to fund transportation. Based on a review of known federal, provincial and regional plans, programs and interests, four potential dimensions of the Transportation Accord have been identified.

Fundamental Commitments

One Regional Transportation Plan

Develop an integrated, long-range multi-modal plan that includes federal and provincial plans for transit, roads, highways, marine services and railways. The success of the plan would be measured by outcomes that meet each party's interests.

Sustainable Capital Funding

Funding is required to sustain new capital needs and ensure renewal and rehabilitation of existing assets to ensure the transportation system remains safe, secure and in good repair. Through the Transportation Accord, partners will deliver tri-level sustainable capital funding.

Integrated Approach to Transportation

Partners will look at their entire programs across all departments through an "urban lens" to ensure initiatives are effective and efficient. The Transportation Accord will leverage existing financial contributions by all three partners.

Education and Communications

The Transportation Accord will facilitate education and communication of urban transportation issues and promote and market alternatives.

73% of GVRD residents believe that gasoline taxes should be used for funding major transportation projects
IPSOS-REID POLL 2003

Model for applying federal gas tax for transportation

The federal government has introduced a new program to provide tonnes of support to Canada's municipalities called The New Deal for Cities and Communities. The program began in 2004, with a decision to provide more dollars with the full rollout on GST. The program will also include a transfer of a portion of the federal gas tax, which will generate $2 billion per year when fully implemented. The federal government, through Infrastructure Canada, is in the process of developing the program and will be negotiating final agreements with the provinces and territories in preparation for implementation later in 2005.

The Transportation Accord described in this document is a proposal by the Greater Vancouver Transportation Authority (GVTA), or TransLink, as it is also known, that sets out how the federal gas taxes would be managed in Greater Vancouver for the purpose of improving public transportation.

Greater Vancouver Transportation Authority

The Province of British Columbia (BC) created the GVTA in 1999 to give a greater degree of local control over the planning, operation and improvement of the region's transportation system. The GVTA has responsibility for the Transit system, the regional road network and vehicle emission testing.

Investment in urban transportation

TransLink and the 21 municipalities that comprise the Greater Vancouver Regional District (GVRD) have consistently advocated for a strong federal investment in urban transportation as a means of fulfilling its priorities for healthy Canadians, environmental protection and economic competitiveness. Partnerships with urban regions are a highly effective way of progressing towards federal priorities while respecting existing jurisdictions. The Canada, British Columbia, Greater Vancouver Transportation Accord is such a partnership.

Region supports federal gas tax to fund transportation

Greater Vancouver Regional District member municipalities have agreed that any gas taxes received from the federal government would be applied to public transportation in the region. This year the GVTA and the GVRD adopted specific resolutions to allocate the gas tax revenue to the region's Strategic Transportation Plan. On February 27, 2004 the GVRD Board of Directors passed a motion to "preserve the provision of an annual stream of sustainable funding from the federal government to the GVTA for transportation purposes equivalent to five cents per litre of federal taxes paid on fuel purchased annually within the region." GVRD Chair Marvin Hunt wrote to the Prime Minister on April 5, 2004 to notify him of the adoption of a bold new transportation plan, a plan that requires federal gas taxes if it is to succeed. The GVRD reconfirmed its position on this commitment in October 2004.

The Canada, British Columbia, Greater Vancouver Transportation Accord is the mechanism identified by TransLink to implement the region's resolution to dedicate the federal gas tax revenue to improving public transportation. The Accord will build upon an existing plan that has already achieved considerable success.

Canada's Pacific gateway

Greater Vancouver, the nation's third largest urban centre, is Canada's trade and tourism gateway to the Asia Pacific economies. It is renowned as one of Canada's most liveable places and is home to over half of British Columbia's workforce. According to GVRD projections, by 2031 the population will increase to approximately 3 million, with employment reaching 1.5 million.

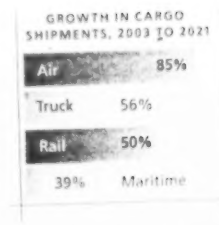
The cost of congestion to the region's economy is estimated at $1.5 billion annually, $660 million for trucking alone.
GRASSROOTS GRAPHICS

The emerging global economy - Asia Pacific trade with North America

The same forces that are driving rapid expansion of international trade are changing the shape of the region's economy. Greater Vancouver feels these forces more acutely than other Canadian cities since it is both a major urban economy and one of the largest transportation complexes for the movement of international goods and passengers on the West Coast of North America. 100 million tonnes of cargo, 15 million air passengers and 1 million cruise ship passengers moved through the region in 2001. Steady growth of the Asia Pacific economies is increasing demands for Western Canadian resource exports, two-way container trade and air travel through the region.

Population growth and expansion of international trade and travel are increasing pressure on the region's transportation network. The cost of congestion to the region's economy, according to Transport Canada, is estimated at $1.5 billion annually, $660 million for trucking alone. Congestion and gridlock will stifle growth, harm Canada's trade competitiveness and contribute to environmental degradation of one of the world's most livable regions. Tackling congestion cannot be a single level of government or public agency task; solutions must be coordinated.

GREATER VANCOUVER, CANADA'S TRADE AND TOURISM GATEWAY TO ASIA PACIFIC ECONOMIES



PORT EXPANSION, 2004 TO 2010

$1.4 billion in capital

22,000 person years of employment

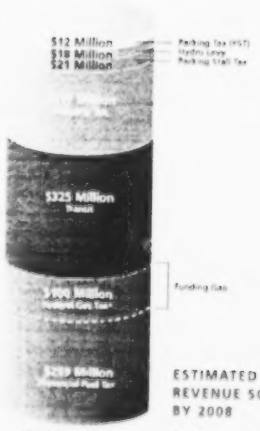
$1 billion in wages and benefits

Growing transit ridership contributes to overall transportation efficiency

Investing $4 billion in regional transportation expansion

TRANSLINK'S CAPITAL PROGRAM 2004 - 2013	
[illegible]	$890 M
Expand Transit Service	$380 M
Maintain and Expand Transit Infrastructure	$805 M
Roads Program (TI, Intelligent Transportation Systems)	$73 M
Rapid Transit	$610 M
Roads Major	$660 M
Roads and Bridges Minor	$281 M
Subtotal	$3,339 M
[illegible]	$600 M
Total ($M)	$3,939 M

ECONOMIC IMPACT OF TRANSLINK'S 10-YEAR CAPITAL PROGRAM



Total $962 Million

ESTIMATED GVTA REVENUE SOURCES BY 2008

Scope of the Transportation Accord

Fundamental Commitments

One Regional Transportation Plan
Develop an integrated, long-range multi-modal plan that includes federal and provincial plans for transit, roads, highways, marine services and railways. The success of the plan would be measured by outcomes that meet each party's interests.

Sustainable Capital Funding
Funding is required to sustain new capital needs and ensure renewal and rehabilitation of existing assets to ensure the transportation system remains safe, secure and in good repair. Through the Transportation Accord, partners will deliver tri-level sustainable capital funding.

Integrated Approach to Transportation
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Education and Communications
The Transportation Accord will facilitate education and communication of urban transportation issues and promote and market alternatives.

Principles of the Transportation Accord

Serving provincial interests

BRITISH COLUMBIA

Serving federal interests

LOCAL DRIVERS CONCERN ABOUT GLOBAL WARMING *(on a scale of 1-10)*

1 2-3 4-5 6-7 8-9 10

Working together to meet the challenge

ECONOMIC IMPACT OF THE 2010 WINTER OLYMPIC GAMES

$710 million in capital

100,000 person years of employment

$2.4 billion in wages and benefits

Transportation is the number one local issue in Greater Vancouver ahead of health care

IPSOS-REID POLL
November 2003

Principles of the Transportation Accord

The proposed Transportation Accord will deliver tri-level, sustainable capital funding. It is a collaborative partnership between all levels of government in Canada, meeting a top public issue. It is an integrated approach to urban public transportation that will leverage existing financial contributions by all three partners. The Transportation Accord will be measured by outcomes that meet each party's interests.

Serving provincial interests

Efficient and sustainable urban transportation in Greater Vancouver is a vital interest for the Province of British Columbia. The Province has constitutional responsibility for the local governments within the GVRD and also has significant presence in the region through the provincial ferry and provincial highway systems.

The Transportation Accord would also provide the following benefits to the province:

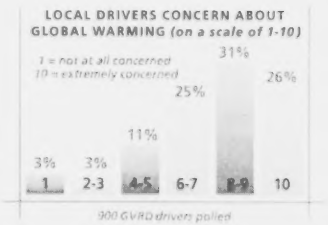
- Leverage current provincial funding: Ability to attract federal funding to leverage current, rather than new, provincial funding.
- Increase provincial funding profile: More recognition for the current contribution from the Province of British Columbia, which is unmatched by any other provincial government in Canada.
- Enhance public support: Gain support by addressing the region's number one issue.

Serving federal interests

Canada shares jurisdiction over environmental protection and public health with the Province. In Greater Vancouver the federal interests are visible through activities at the ports, airport and the terminus of the national railway system. In addition, sustainable urban transportation affects the following federal interests:

- Efficiency of the national transportation system: The Port of Vancouver of is Canada's busiest with, adding $1.6 billion in GDP in 2003.
- Cross-border impacts: 1 million trucks use the Pacific Border crossing each year, double since 1991.
- Competitiveness: Canada risks losing its competitive edge in an increasingly urban-based world economy, particularly within North America free trade area, should Greater Vancouver succumb to the mounting problems created by congestion.
- Greenhouse gas reduction: Transportation is the largest single source of greenhouse gases, accounting for 25 per cent of Canada's emission total.

LOCAL DRIVERS CONCERN ABOUT GLOBAL WARMING *(on a scale of 1-10)*



900 GVRD drivers polled

The Transportation Accord provides a viable early template for Canada's major urban regions where public transportation is the number one issue. It will also provide the following benefits to the federal government:

- Increase federal funding profile: Give more federal recognition than straight provincial or municipal transfers (e.g. GST, health, social assistance).
- Support federal priorities: Enable input for federal priorities without circumventing provincial jurisdiction.
- Enhance public support: Would be publicly supported (one of the top issues in all big cities).
- Create jobs: Use federal funding to create more investment opportunities and job creation.
- Improve the environment: Supports meeting our Kyoto targets to address climate change by reducing greenhouse gas emissions

Working together to meet the challenge

The transfer of federal gas taxes provides an opportunity for British Columbia to show national leadership. The Transportation Accord provides a mechanism for implementation that will demonstrate to the public that senior governments recognize the urgency of addressing transportation in Greater Vancouver.

ECONOMIC IMPACT OF THE 2010 WINTER OLYMPIC GAMES

$710 million in capital

100,000 person years of employment

$3.4 billion in wages and benefits

The Transportation Accord will also provide an opportunity for the partners to leverage their financial contributions to sustainable urban transportation resulting in immediate benefits for Canada's Pacific gateway and third largest urban region as well contributing toward the delivery of the world's first sustainable Olympic games in 2010.

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